

REFERENCE TITLE: workers' compensation; technical correction

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2047

Introduced by
Representative Reagan

AN ACT

AMENDING SECTION 23-961.01, ARIZONA REVISED STATUTES; RELATING TO WORKERS' COMPENSATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 23-961.01, Arizona Revised Statutes, is amended to
3 read:

4 **23-961.01. Self-insurance pools**

5 A. Two or more employers, each of whom are engaged in similar
6 industries, may enter into contracts to establish a workers' compensation
7 pool to provide for the payment and administration of workers' compensation
8 claims pursuant to this chapter. The members of each workers' compensation
9 pool shall elect a board of trustees to manage the workers' compensation pool
10 established pursuant to this section. Each member employer shall have been
11 in business for at least five consecutive years before entering into a
12 contract to establish a workers' compensation pool. The total amount of
13 gross workers' compensation insurance premiums paid by the members of the
14 pool in the year preceding the execution of the contract must equal at least
15 seven hundred fifty thousand dollars. The group of employers that makes up a
16 workers' compensation pool shall have been formed for a specific purpose,
17 other than to engage in self-insurance, before the formation of a workers'
18 compensation pool. Employers may establish workers' compensation pools
19 pursuant to this section by one of the following means:

- 20 1. On a cooperative or contract basis.
21 2. Through the joint formation of a nonprofit corporation.
22 3. By the execution of a trust agreement to carry out ~~the provisions~~
23 ~~of~~ this chapter directly by the employers or by contracting with a third
24 party.

25 B. A workers' compensation pool established pursuant to this section
26 is subject to approval as a self-insurer by the industrial commission
27 pursuant to section 23-961, subsection A, paragraph 2. The commission shall
28 adopt rules as necessary to carry out the purposes of this section.

29 C. Workers' compensation pools established pursuant to this section
30 are exempt from taxation under title 43.

31 D. Each agreement or contract shall provide that the members of a
32 workers' compensation pool are jointly and severally liable for the
33 liabilities of the pool. If a member of a pool discontinues its membership
34 in the pool, that party shall be liable only for liabilities accruing prior
35 to the discontinuation of its membership in the pool.

36 E. As to self-insurance pools established under this section, no pool,
37 employer within a pool, or agent of any pool or employer within a pool may
38 require an employee to be treated by or directed to any specific medical
39 provider subsequent to the employee's initial visit to treat an industrial
40 injury or illness, except as may be required as part of an independent
41 medical examination for an employee making a workers' compensation claim.

42 F. The industrial commission shall adopt rules necessary for
43 safeguarding the solvency of pools and guaranteeing that injured workers
44 receive benefits as required under this chapter. These rules shall include,
45 at a minimum, matters pertaining to classification and rating, loss reserves,

1 investments, financial security including minimum and combined premiums,
2 combined net worth and other indicia necessary for protection from
3 insolvency, specific and aggregate excess insurance, group homogeneity and
4 assessments necessary for participation in and administration of the workers'
5 compensation system.